

**MINUTES OF A REGULAR MEETING OF
THE TORRANCE WATER COMMISSION**

1. CALL TO ORDER

The Torrance Water Commission convened in a regular session at 5:03 p.m. on Thursday, November 18, 2010 in the West Annex Meeting Room at Torrance City Hall.

2. ROLL CALL:

Present: Commissioners Lew, McGee, See, White, and
Chairperson Deemer.

Absent: Commissioners Haddon and Lefevre.

Also Present: Public Works Director Beste,
Deputy Public Works Director van der Linden,
Senior Administrative Analyst Schaich,
Senior Administrative Analyst Lewis, and
Metropolitan Water District Director Wright.

MOTION: Commissioner See moved to grant excused absences to Commissioners Haddon and Lefevre for the November 18, 2010 Water Commission meeting. Commissioner McGee seconded the motion; a voice vote reflected unanimous approval.

3. FLAG SALUTE

Public Works Director Beste led the Pledge of Allegiance.

4. AFFIDAVIT OF POSTING

MOTION: Commissioner White moved to accept and file the report of the City Clerk on the posting of the agenda for this meeting. Commissioner McGee seconded the motion; a voice vote reflected unanimous approval.

5. APPROVAL OF MINUTES

5A. MINUTES OF SEPTEMBER 16, 2010

MOTION: Commissioner White moved for the approval of the September 16, 2010 Water Commission meeting minutes as submitted. Commissioner McGee seconded the motion; a voice vote reflected unanimous approval (absent Commissioners Haddon and Lefevre).

5B. MINUTES OF OCTOBER 21, 2010

MOTION: Commissioner McGee moved for the approval of the October 21, 2010 Water Commission meeting minutes as submitted. Commissioner See seconded the motion; a voice vote reflected unanimous approval (absent Commissioners Haddon and Lefevre).

6. ORAL COMMUNICATIONS FROM PUBLIC

None.

7. UNFINISHED BUSINESS

7A. CONSIDERATION OF REVISED RECOMMENDATIONS REGARDING TORRANCE MUNICIPAL WATER RATES FOR NEXT FIVE YEAR PERIOD—FISCAL 2011 THROUGH FISCAL 2015

Senior Administrative Analyst Schaich introduced the item and Public Works Director Beste requested that the Commission make a slight revision to its October 21, 2010 recommendation regarding Torrance Municipal Water (TMW) rates for the next five-year period. He explained that the Finance Department is recommending that the internal rate adjustments in 2013-2015 be solely based on the CPI index.

Responding to Chairperson Deemer's inquiry, Senior Administrative Analyst Schaich stated that the revision would not affect the bond rating, adding that the current inflation rate is approximately 2%.

MOTION: Chairperson Deemer moved to 1) Implement a five-year internal rate plan with increases of 6.5% in 2011 and 2012, and subsequent increases based on the CPI index for 2013-2015; 2) Adoption of a new conservation tiered rate structure and new method for calculating pass-through adjustments to offset increases for wholesale water costs; and 3) Support the findings of the Water Rate and Capital Funding Study. Commissioner White seconded the motion; a roll call vote reflected unanimous approval (absent Commissioners Haddon and Lefevre).

In response to Commissioner McGee's inquiry, Senior Administrative Analyst Schaich advised that City Council would consider the recommendation in December 2010, followed by a public hearing in February 2011 and implementation March 1, 2011.

8. NEW BUSINESS

None.

9. METROPOLITAN WATER DISTRICT DIRECTOR'S REPORT

MWD Director Wright distributed his November 15, 2010 letter to the Mayor and Council Members regarding November 2010 MWD activities. He called attention to the attached graph showing MWD's water storage in Southern California, noting that overall storage is currently 70%. He reported that MWD's storage reached a low of 502,000 acre feet in November 2009 but since then the storage has increased by 220,000 acre feet. He stated that this excess water for storage was due to lower sales in Southern California and higher than normal precipitation in Northern California. He reported that average precipitation in Northern California is 3 inches but this year it reached 7.6 inches, or 253% of normal.

He provided an overview on storage from the Colorado River, noting that MWD has been able to keep the Colorado River Aqueduct full. He discussed the history of Lake Powell since its completion in 1963 as well as the variation of water levels in Lake Mead that is currently at 1,082 feet. He noted that at 1,075 a shortage condition would apply that would trigger an equalization release from Lake Powell. He described an intake tunnel being constructed to carry water to Las Vegas with expected completion in 2013.

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Responding to an inquiry by Commissioner White, Public Works Director Beste stated that rivers are being developed in Northern Nevada until the intake tunnel is finished.

10. WEST BASIN WATER ASSOCIATION REPORT

Deputy Public Works Director van der Linden provided a report on the November 2, 2010 West Basin Water Association meeting. He stated that the Watermaster reported an overall 600 acre feet decrease in groundwater usage this water year. He reported that West Basin Municipal Water District held a dedication ceremony at the Ocean Water Desalination Demonstration facility on November 12, 2010. They also mentioned that the Edward Little Water Recycle facility is scheduled for Phase 5 expansion and that the current MWD's Water Allocation Supply Plan is under review based on water supply conditions this year. He reported that Water Replenishment District held workshops to receive public comment on the West Coast Basin Master Plan and that the Technical Advisory Committee is considering expansion of the Van Der Lans Water Recycling facility. He stated that the West Basin Water Association quarterly lunch meeting on November 17, 2010 at the Ocean Water Desalination Demonstration facility was well attended.

11. ORALS

11A. Commissioner White announced that the League of Women Voters of Torrance is sponsoring a tour of the Ocean Desalination Demonstration facility on December 11, 2010.

11B. Commissioner Deemer discussed the landscaping ordinance for streetscape passed by the City of Los Angeles.

12. ADJOURNMENT

At 5:41 p.m., Chairperson Deemer adjourned the meeting to December 16, 2010 at 7:00 p.m. in the West Annex Commission meeting room.

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| Approved as Submitted January 20, 2011 s/ Sue Herbers, City Clerk |
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